

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION JOINT APPROPRIATIONS SUBCOMMITTEE ON HEALTH & HUMAN SERVICES**

**Call to Order:** By **CHAIRMAN DAVE LEWIS**, on February 1, 2001 at 8:05 A.M., in Room 152 Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Dave Lewis, Chairman (R)  
Sen. John Cobb, Vice Chairman (R)  
Rep. Edith Clark (R)  
Rep. Joey Jayne (D)  
Sen. Bob Keenan (R)  
Sen. Mignon Waterman (D)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Robert V. Andersen, OBPP  
Pat Gervais, Legislative Branch  
Lois Steinbeck, Legislative Branch  
Sydney Taber, Committee Secretary  
Connie Welsh, OBPP

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: Presentation of Child and Family Services, 2/01/01  
Executive Action: Executive Action on Health Policy Services Division

***{Tape : 1; Side : A; Approx. Time Counter : 6.0-7.3}***

#### **EXECUTIVE ACTION - DIVISION ADMINISTRATION**

The Committee was referred to the decision package spreadsheet **EXHIBIT**(jhh26a01).

**CHAIRMAN LEWIS** recommended that the Committee start executive action on Governor Martz's DP 881, reduction in the Tobacco Control Prevention Program of \$3,004,943 in FY02 and \$3,006,235 in FY03. If the Committee does not vote to accept the Governor's recommendation, it will be \$6 million short as it goes back to the rest of the budget.

**{Tape : 1; Side : A; Approx. Time Counter : 7.1-15.3}**

**Motion:** REP. LEWIS moved TO ADOPT DP 881, REDUCTION IN TOBACCO CONTROL PREVENTION PROGRAM APPROPRIATION.

**Discussion:** REP. JAYNE asked what would be left in the tobacco prevention budget after that was taken out. **Lois Steinbeck, Legislative Fiscal Division**, said that it would be a maximum of \$1.3 million per year; \$800,000 of that would be federal funds. **Connie Welsh, Office of Budget and Program Planning**, stated that there would be \$1 million in general fund left in the program, plus the \$870,000 each year, which would be \$2.6 million per year.

In response to questions from REP. JAYNE regarding the method used to determine the amount to reduce this budget, **Bob Andersen, Office of Budget and Program Planning**, said that it was not an entitlement. Since the base budget was being reduced for benefits for other programs, it was a judgment call to reduce this program by that amount. He further explained that under Governor Racicot there was \$3.5 million per year in the base; there was no increase in the general fund for the program since it was in the base.

**{Tape : 1; Side : A; Approx. Time Counter : 15.3-15.7}**

**Substitute Motion/Vote:** REP. JAYNE made a substitute motion TO FUND TOBACCO CONTROL PREVENTION WITH GENERAL FUNDS FOR EACH YEAR OF THE BIENNIUM AT LEAST \$1 MILLION ABOVE THE AMOUNT IN THE BASE BUDGET FOR \$9 MILLION BIENNIAL APPROPRIATION. Substitute motion failed 2-4 with Waterman and Jayne voting aye.

**CHAIRMAN LEWIS** called for a roll call vote on the original motion.

**Vote:** Motion passed 4-2 with Jayne and Waterman voting no. On page 14, REP. JAYNE requested that her vote on DP 881 be changed from yes to no. **{Tape : 3; Side : A; Approx. Time Counter : 42.1}**

**{Tape : 1; Side : A; Approx. Time Counter : 16.8-28.1}**

**Motion:** SEN. COBB moved **A COMMITTEE BILL TO APPROPRIATE A \$3 MILLION DOLLAR REDUCTION PLUS INTEREST EACH YEAR FROM THE TOBACCO TRUST FUND FOR PREVENTION.**

**Discussion:** SEN. COBB went over the rationale for his motion and other mechanisms that he is planning to use to make up the ending fund balance. He commented that he is looking at the problem realistically and does not want to cut existing programs to fund it. SEN. WATERMAN made comments objecting to this move since the citizens of Montana had voted to put the money in a trust for future health care. She stated that removing the \$6 million already in the budget for tobacco prevention and trying to "bust the trust" as soon as the opportunity presents is disingenuous and would and should cause outrage. SEN. KEENAN said that as a sponsor of SB 12 that put this on the ballot, he has no problem with the process. CHAIRMAN LEWIS clarified that it would be drafted as an appropriation bill.

**{Tape : 1; Side : A; Approx. Time Counter : 28.1-28.9}**

**CHAIRMAN LEWIS** requested a roll call vote.

**Vote:** Motion failed 4-2 with Jayne and Waterman voting no.

**PRESENT LAW ADJUSTMENTS:**

**{Tape : 1; Side : A; Approx. Time Counter : 28.9-37.7}**

**Motion/Vote:** SEN. COBB moved **TO ADOPT THE BASE LEVEL OF FUNDING PLUS STATEWIDE PRESENT LAW ADJUSTMENTS TO INCLUDE VACANCY SAVINGS.** Motion carried unanimously.

The LFD issue with respect to the Bunker Hill grant is that all the expenditures are budgeted as operating costs, however, the majority of the expenditures will provide public outreach and screening for individuals exposed to lead when the smelter in Kellogg, Idaho, burned. The Committee had directed **Ms. Steinbeck** to work with the Department of Administration, Accounting Division, and the Department to determine where expenditures should be budgeted to reflect whether they were agency operating costs or public services and benefits. Department of Administration has revised its guidelines to indicate that if funding is from a grant, expenditures should be reported as grants. There is confusion as to whether that includes administrative costs. **Mr. John Chappuis, Health Policy and Services Division , Financial Operations and Support Services,** explained that the confusion arises from the fact that the Department has a contract with Montana State University, but the funding is through a grant.

In response to a question from **SEN. COBB, Mr. Chappuis** said that the outreach with the grant has already begun. This money was

added by budget amendment during the interim and authorized as ongoing expenditures. **CHAIRMAN LEWIS** disclosed that he had a conflict of interest since he worked at the Bunker Hill smelter.

**{Tape : 1; Side : A; Approx. Time Counter : 37.7-42.1}**

**Motion/Vote:** SEN. COBB moved TO ADOPT DP 108, THE BUNKER HILL FEDERAL GRANT. Motion carried unanimously.

The Committee began discussion of Medicaid issues. **Mr. Chappuis** explained that the January numbers for hospital services do not look good. There has been an increase in the caseload. **Mike Billings, Division of Operations and Technology**, explained that there is a blip in hospitals and outpatient, but there is some potentially compensating movement in the drug area. They are not ready to give out the numbers, yet.

#### **EXECUTIVE ACTION - MEDICAID SERVICES AND CHIP BUREAU**

##### **PRESENT LAW ADJUSTMENTS:**

**{Tape : 1; Side : A; Approx. Time Counter : 42.2-44.0}**

**Motion:** SEN. COBB moved TO ADOPT DP 15, INDIAN HEALTH SERVICES CASELOAD ADJUSTMENT APPROPRIATION.

**CHAIRMAN LEWIS** said that the Committee should move the base and statewide present law adjustment first.

**Motion/Vote:** REP. CLARK moved TO ADOPT THE BASE LEVEL OF FUNDING PLUS STATEWIDE PRESENT LAW ADJUSTMENT TO INCLUDE DP 699 - ADDED VACANCY SAVINGS FOR THE MEDICAID SERVICES BUREAU. Motion carried unanimously.

**Motion:** SEN. COBB moved TO ADOPT DP 15, INDIAN HEALTH SERVICES CASELOAD ADJUSTMENT APPROPRIATION. Motion carried unanimously.

**{Tape : 1; Side : A; Approx. Time Counter : 44.0-51}**

**Motion/Vote:** SEN. COBB moved TO ADOPT DP 42, MEDICARE BUY-IN CASELOAD ADJUSTMENT APPROPRIATION. Motion carried unanimously.

##### **Discussion on Medicaid Drug Rebates as Revenue:**

**CHAIRMAN LEWIS** decided that the Committee would wait to vote on DP 43 until the latest numbers were in. **Ms. Steinbeck** said that there is a policy issue that the Committee might wish to consider before determining the amount of appropriation for Medicaid drug rebates. The Executive Budget includes the state match for Medicaid drug rebates as state special revenue. This is a present law adjustment in response to a legislative audit finding that requires the Department to account for and pay these

expenditures rather than using an accounting technique of abatement.

**Ms. Steinbeck** went over the LFD issue regarding the appropriateness of the use of state special revenue. Legislative policy says that state special revenue is appropriate in instances where there is a close relationship between those buying and those receiving the services. It is not appropriate when use of state special revenue prevents legislative scrutiny of an expenditure. The LFD issue says that this is more appropriately budgeted in the general fund. The LFD, Budget Office staff, and Department did get together, but they were unable to come up with a compromise. The Executive branch noted that special revenue is a better source of funding, because it avoids the complexity of the revenue estimating process.

If the Committee wants to budget the Medicaid drug rebates as state special revenue, it will need to propose a bill. The only way it can now be done is through a committee bill.

***{Tape : 1; Side : B; Approx. Time Counter : 0.1-5}***

**Ms. Steinbeck** explained that state special revenue accounts are authorized in statute by law. The Executive Branch indicated that it could set up a state special revenue account without legislation. If the Committee wants to give its official sanction to use the state special revenue, it would need a committee bill at this point.

**Ms. Welsh** said that the Executive would like this to be state special revenue to keep the revenue matched with expenditures.

**Mr. Chappuis** explained that the current practice is abatements which has been found to be against generally accepted accounting practices. If it is done without a bill, it would have to be in the general fund. **Ms. Welsh** responded that there needed to be clarification on that, and that the Executive understood that having the authority in state special revenue would be the cleanest way to do this.

**SEN. WATERMAN** asked why it would not be placed in the general fund. Since there has been a real effort in the Senate to eliminate state special accounts, she is uncomfortable creating one. There was discussion on the issue regarding why it could not be tracked in general fund or why language could not restrict its use. **Ms. Steinbeck** said that it would be problematic and that expenditures would have to be manually adjusted.

***{Tape : 1; Side : B; Approx. Time Counter : 5-7.8}***

**Mr. Chappuis** remarked that as drafted the special revenue would be dedicated back and used against Medicaid expenditures. This is what currently happens with abatements, and the Department wants to maintain that. It provides the Department the accountability and allows the restriction of revenue to go back against the appropriation, minimizing the use of the general fund.

**{Tape : 1; Side : B; Approx. Time Counter : 7.9-13.6}**

**Ms. Welsh** explained that it was similar to funding for other programs. The Department is concerned that if more Medicaid revenue is brought in than the estimate, it could not be put into general fund without losing the ability to track the revenue against expenditure.

Further discussion ensued on the issue.

**{Tape : 1; Side : B; Approx. Time Counter : 13.7-18.9}**

**Motion:** REP. LEWIS moved THE USE OF STATE SPECIAL REVENUE AS REBATE.

**Discussion:** In further discussion, REP. JAYNE and Mr. Chappuis asked for clarification on the motion. CHAIRMAN LEWIS explained that the Committee would take the recommendation and leave it to the Department and Executive to figure out what to do with it.

**{Tape : 1; Side : B; Approx. Time Counter : 19-24.7}**

A roll call was called.

**Vote:** Motion failed 3-3 with Cobb, Jayne, and Waterman voting no.

SEN. WATERMAN and SEN. COBB requested explanation of the impacts of dropping DP 88. Mary Dalton, Medicaid Services and CHIP Bureau, explained that the request was to keep the DRAMS system current and provide for enhancements. After further discussion, Ms. Dalton said that they could get by with what they currently have in the budget.

**NEW PROPOSALS - MEDICAID:**

**{Tape : 1; Side : B; Approx. Time Counter : 24.8-33.1}**

**Ms. Steinbeck** went over DP 90, the appropriation request for 2.0 FTE for claims adjudication efficiency. The savings are in benefit costs even though operating costs are added.

**Motion:** REP. LEWIS moved TO ADOPT DP 90, APPROPRIATION FOR 2.0 CLAIMS ADJUDICATION FTE.

**Discussion:** SEN. COBB asked how many procedures were taking place now, considering that they were trying to get a 25% reduction in out-of-state outpatient hospital procedures. Mr.

**Chappuis** responded that it was almost \$1 million per year, and that the Department thinks that it can be reduced by that much per year.

In response to a question from **SEN. WATERMAN**, **Mr. Chappuis** said that the costs of children receiving dental care out-of-state are not being calculated in the \$1 million figure. **Mr. Chappuis** said that under this program these children would not be denied the services, but the Department would prefer to have a gatekeeping procedure so that necessity of treatment factors in, as well as using in-state services to save money wherever possible.

**{Tape : 1; Side : B; Approx. Time Counter : 33.1-35.8}**

**Vote: Motion carried unanimously.**

**SEN. COBB** requested that the Department develop some sort of language for wrap up which would require a report on the number of procedures that were reviewed and the savings of that review.

**{Tape : 1; Side : B; Approx. Time Counter : 35.8-36.7}**

**Ms. Steinbeck** went over the ambulance provider rate increase, DP 124. The Martz adjustments to this reduced the general fund by about \$14,000 over the biennium.

**{Tape : 1; Side : A; Approx. Time Counter : 36.7-51}**

**Motion/Vote: SEN. COBB moved TO ADOPT DP 124, APPROPRIATION FOR THE AMBULANCE PROVIDER RATE INCREASE. Motion carried unanimously.**

A Department response to a request from **SEN. COBB** for legislation for dental provider rate increases was discussed

**EXHIBIT (jhh26a02).** **Ms. Dalton** explained that the idea was to encourage more dentists to see more than 100 Medicaid patients. Those who do would be paid 20% more than the usual rate. Based on last year's figures, about 60 providers, who are seeing about 61% of the Medicaid patients right now, would receive a 20% increase in their rates. It is believed that the number of patients seen would be increased by about 550. Overall, it would cost \$1.6 million. This could be done in addition to the dental proposal that is requested or it could be done as part of it. If the Committee chooses, \$1.6 million would go to this proposal, and the other \$900,000 would be distributed in rate increases across the rest of the population. The people who saw more than 100 people in 2001 would be paid a 20% increase in 2002.

**{Tape : 2; Side : A; Approx. Time Counter : 0.5-5.9}**

**Mary McCue, Executive Director of the Montana Dental Association**, expressed concerns regarding the rural dentists with such a proposal. Dentists living in rural areas may not have 100 Medicaid patients to see. She suggested that perhaps the patient

load should be increased by a percentage rather than a flat number. There was further discussion.

*{Tape : 2; Side : A; Approx. Time Counter : 5.9-6.7}*

**Motion:** SEN. COBB moved TO ADOPT DP 125, APPROPRIATION FOR DENTAL CARE PROVIDER RATE INCREASE.

**Discussion:**

SEN. WATERMAN requested that whatever is done, it be tracked by numbers of dentists participating, numbers of Medicaid patients seen, and then broken out by children and adults. SEN. COBB will try to put \$100,000 more into it another day.

*{Tape : 2; Side : A; Approx. Time Counter : 6.7-8.0}*

**Vote:** Motion carried unanimously.

Ms. Steinbeck explained that RBRVS was decreased by approximately \$58,000 general fund over the biennium in Governor Martz's budget.

*{Tape : 2; Side : A; Approx. Time Counter : 8.0-8.6}*

**Motion/Vote:** SEN. COBB moved DP 126, THE RBRVS/PASS PROVIDER RATE INCREASE APPROPRIATION PLUS \$50,000 FEDERAL FUNDS PER YEAR.

*{Tape : 2; Side : A; Approx. Time Counter : 8.6-9.1}*

CHAIRMAN LEWIS requested a roll call.

Motion failed 2-4 with Cobb and Jayne voting aye.

*{Tape : 2; Side : A; Approx. Time Counter : 9.1-13.4}*

**Motion/Vote:** SEN. COBB moved TO ADOPT DP 126, RBRVS/PASS PLUS \$100,000 FROM THE DD PROGRAM PLUS MATCH PER YEAR.

*{Tape : 2; Side : A; Approx. Time Counter : 13.4-13.9}*

CHAIRMAN LEWIS requested a roll call.

Motion failed 2-4 with Cobb and Keenan voting aye.

*{Tape : 2; Side : A; Approx. Time Counter : 13.9-17.8}*

**Motion/Vote:** SEN. COBB moved DP 126, PROVIDER RATE INCREASE FOR RBRVS/PASS. Motion carried unanimously.

SEN. COBB requested the language for RBRVS. Ms. Steinbeck handed out the proposed language **EXHIBIT**(jhh26a03).

*{Tape : 2; Side : A; Approx. Time Counter : 17.9-21.1}*

**Motion:** SEN. COBB moved TO ADOPT THE LANGUAGE FOR THE RBRVS PROVIDER RATE INCREASES.



**Discussion:** Ms. Steinbeck explained that the language says that the Department must freeze reimbursement to certain types of providers at the amount that was paid in state fiscal year 1997. Basically, primary care procedures will get the rate increase and specialty procedures will be frozen.

**Vote:** Motion carried unanimously.

*{Tape : 2; Side : A; Approx. Time Counter : 21.2-28.8}*

**Motion:** SEN. COBB moved A COMMITTEE BILL TO TAKE \$1 MILLION EACH YEAR OF THE BIENNIUM FROM THE TOBACCO TRUST PLUS WHATEVER INTEREST IS LOST TO MATCH WITH FEDERAL MONEY AND INCREASE PRIMARY CARE PHYSICIANS' RATES.

**Discussion:** SEN. COBB explained to REP. JAYNE that the tobacco trust would be reduced by \$1 million each year and the loss of the interest from that \$1 million, and that the tobacco trust would not build up as fast as a result. SEN. WATERMAN added that if a committee bill were drafted, no matter what the amount, once it reached the floor a simple majority could amend the bill to gut the entire trust. It would then take a two-thirds vote of the Legislature to pass it.

*{Tape : 2; Side : A; Approx. Time Counter : 28.8-39.5}*

CHAIRMAN LEWIS requested a roll call vote.

**Vote:** Motion failed 4-2 with Jayne and Waterman voting no.

*{Tape : 2; Side : A; Approx. Time Counter : 39.5-43.2}*

**Motion:** SEN. COBB moved TO RESTORE \$25,000 PER YEAR GENERAL FUND ONE TIME ONLY FOR THE DONATED DENTAL PROGRAM TO THE DISABILITY SERVICES BUDGET .

**Discussion:** SEN. WATERMAN asked if there was any money in the budget for the volunteer dental program, and SEN. COBB said that there was not. SEN. WATERMAN asked if it had still been in the Racicot budget, since she had not seen it taken out. Pat Gervais explained that it was a one time only appropriation in the Disability Services Division.

*{Tape : 2; Side : A; Approx. Time Counter : 43.2-45}*

CHAIRMAN LEWIS requested a roll call.

**Vote:** Motion carried 4-2 with Keenan and Lewis voting no.

*{Tape : 2; Side : A; Approx. Time Counter : 45.0-46.5}*

**Motion:** SEN. COBB moved TO ADOPT DP 127, APPROPRIATION FOR THE HOSPITAL PROVIDER RATE INCREASE.

**Discussion:** Mr. Chappuis said that it was about a 2% rate increase. SEN. WATERMAN stated that she must declare a conflict of interest as Senate rules require, since she serves on a hospital board.

**{Tape : 2; Side : A; Approx. Time Counter : 46.5-46.8}**

**Vote:** Motion carried unanimously.

**{Tape : 2; Side : A; Approx. Time Counter : 46.8-51.4}**

Ms. Dalton discussed DP 700. The Department allocates the money for Medicaid outreach programs, primarily through television and radio, and is requesting federal authority only.

**{Tape : 2; Side : B; Approx. Time Counter : 1.4-2.4}**

**Motion/Vote:** SEN. WATERMAN moved DP 700, FEDERAL FUND AUTHORITY FOR MEDICAID OUTREACH. Motion carried 4-2 with Cobb and Keenan voting no.

**{Tape : 2; Side : B; Approx. Time Counter : 2.4.-4.3}**

Ms. Steinbeck briefly reviewed the intergovernmental transfer program that the Department is instituting for 7 or 8 hospitals.

**{Tape : 2; Side : A; Approx. Time Counter : 4.3-5.7}**

**Motion/Vote:** SEN. COBB moved TO ADOPT DP 887, COUNTY HOSPITAL INTERGOVERNMENTAL TRANSFER. Motion carried unanimously.

Mr. Chappuis told the Committee that this is being done now and the budget change document is at the Budget Office now. It will not, however, impact the supplemental.

**{Tape : 2; Side : B; Approx. Time Counter : 5.7-16.7}**

**Motion:** SEN. WATERMAN moved TO ADOPT DP 144, ELIMINATION OF THE MEDICAID ASSET TEST.

**Discussion:** SEN. WATERMAN suggested that the CHIP eligibility could be left at 150% if the assets test were eliminated. The elimination of paperwork and the face-to-face asset examination would create a reduction in time spent and a savings. It would also free up CHIP slots. There would not be a reduction in FTE, but would allow those FTE would be freed up to do other work.

REP. CLARK said that if there were no increase in CHIP eligibility, it would be a good trade off.

**{Tape : 2; Side : B; Approx. Time Counter : 16.8-17.5}**

**Vote:** Motion carried unanimously.

**HEALTH SYSTEMS EXECUTIVE ACTION**

**PRESENT LAW ADJUSTMENTS:**

*{Tape : 2; Side : B; Approx. Time Counter : 21.2-25.9}*

**Motion/Vote:** SEN. COBB moved **BASE LEVEL OF FUNDING PLUS STATEWIDE PRESENT LAW ADJUSTMENT AND DP 699 - ADDED VACANCY SAVINGS FOR HEALTH SYSTEMS**. Motion carried unanimously.

**Ms. Steinbeck** went over the items that are considered in the present law adjustments at the request of **SEN. KEENAN**. The items include personal savings, vacancy savings, inflation/deflation, and fixed costs. If any changes were made that did not strictly adhere to statewide present law adjustments, **Ms. Steinbeck** and **Ms. Gervais** looked for them.

*{Tape : 2; Side : B; Approx. Time Counter : 26-31.1}*

**Motion:** REP. LEWIS moved **TO ADOPT DP 16, TOBACCO PREVENTION GRANT INCREASE**.

**Discussion:** **Drew Dawson, Health Systems Bureau**, commented that this was for the increase in the CDC grant, and that the FTE is a program evaluator that is currently on board.

**REP. JAYNE** questioned why the Department did not use money as appropriately allocated. **Ms. Steinbeck** explained that this LFD issue notes that HB 2 added language requiring that a certain amount of the federal tobacco control program be contracted to communities and localities. On review of the grants, **Ms. Steinbeck** concluded that the Department was \$20,000 short of meeting the HB 2 language. The Department had included in meeting that language, a large contract with MSU that delivered services in counties.

**Vote:** Motion carried unanimously.

*{Tape : 2; Side : B; Approx. Time Counter : 31.1-33.8}*

**Motion/Vote:** REP. LEWIS moved **TO ADOPT DP 18, EMT CERTIFICATION**. Motion carried unanimously.

In response to a question by **REP. JAYNE** regarding the Robert Wood Johnson grant and elimination of DP 85 from Governor Martz's budget, **Mr. Dawson** explained that the grant provides base level funding to assist with the Public Health Training Institute, and that the request is for additional funding for curriculum development and outreach to local public health departments. The grant remains regardless of action.

*{Tape : 2; Side : B; Approx. Time Counter : 33.8-35.4}*

**NEW PROPOSALS:**

**Motion/Vote:** SEN. COBB moved TO ADOPT DP 102, HIGHWAY TRAFFIC SAFETY GRANT. Motion carried unanimously.

***{Tape : 2; Side : B; Approx. Time Counter : 35.4-37.4}***

Mr. Dawson discussed the cardiovascular disease plan. The plan was used as a basis for funding received from the Center for Disease control for a three-year grant. It is likely to be an ongoing grant for the program.

**Motion/Vote:** SEN. COBB moved TO ADOPT DP 702, THE CARDIOVASCULAR HEALTH PROGRAM CDC GRANT. Motion carried unanimously.

***{Tape : 2; Side : B; Approx. Time Counter : 37.4-39.2}***

Ms. Steinbeck went over the LFD issue on the Department language to make the FTE in DP 702 subject to continuation of federal or private funding (Exhibit 2).

***{Tape : 2; Side : B; Approx. Time Counter : 39.3-39.6}***

**Motion/Vote:** REP. LEWIS moved TO ADOPT THE LANGUAGE PROPOSED BY THE DEPARTMENT FOR THE FTE TO BE ONE TIME ONLY BASED ON CONTINUATION OF FUNDING. Motion carried unanimously.

***{Tape : 2; Side : B; Approx. Time Counter : 39.7-48.5}***

**Motion:** SEN. WATERMAN moved TO ADOPT DP 703, TRAUMA SYSTEM IMPLEMENTATION APPROPRIATION.

**Substitute Motion/Vote:** REP. LEWIS made a substitute motion TO ADOPT DP 703, APPROPRIATING \$150,000 IN GENERAL FUND.

**Discussion:** There was general discussion over the proposal and where the money was coming from. Mr. Dawson noted that it was not an expansion of a program, but that the program had been federally funded and that funding would go away in September. The Department is requesting the money to cover the program after the loss of that federal money.

***{Tape : 3; Side : A; Approx. Time Counter : 2.4-4.5}***

**Vote:** Motion carried unanimously.

Ms. Steinbeck explained an LFD issue regarding HB 2 language and DP 703. Language in HB 2 required the trauma nurse coordinator position be eliminated when the federal funding ended, and it was not. The FTE in the new proposal is duplicated in the 2003 biennium budget request.

***{Tape : 3; Side : A; Approx. Time Counter : 4.6-6.7}***

**Motion/Vote:** SEN. WATERMAN moved TO REMOVE THE FTE FROM DP 703.  
Motion carried unanimously.

***{Tape : 3; Side : A; Approx. Time Counter : 6.8}***

There was discussion on Certificate of Need and whether it was needed or not. Operational costs are about \$23,000 per year.

**Motion/Vote:** SEN. COBB moved TO ADOPT DP 200, ADD \$23,000 PER YEAR FOR CERTIFICATE OF NEED.

There was further discussion on the issue of certificate of need and nursing homes. SEN. COBB indicated that he intended to remove \$23,000 general fund per year from the nursing home budget when it is considered by the subcommittee.

***{Tape : 3; Side : A; Approx. Time Counter : 21.2}***

**Vote:** Motion carried 5-1 with Waterman voting no.

#### **EXECUTIVE ACTION ON FAMILY AND COMMUNITY HEALTH**

##### **PRESENT LAW ADJUSTMENTS:**

**Motion/Vote:** SEN. COBB moved THE BASE LEVEL FUNDING PLUS STATEWIDE PRESENT LAW ADJUSTMENTS AND DP 699 - ADDED VACANCY SAVINGS. Motion carried unanimously.

**Motion/Vote:** SEN. WATERMAN moved TO ADOPT DP 20, DP 21 - NOTING THE DELETION OF \$150,000 IN THE SECOND YEAR OF THE BIENNIUM, AND DP 106. Motion carried unanimously.

The Committee will revisit the farmer's market issue in the Women, Infants, and Children program (WIC).

##### **NEW PROPOSALS:**

**Motion/Vote:** SEN. WATERMAN moved TO ADOPT DP 103, DP 104, DP 107, AND DP 109. Motion carried unanimously.

#### **EXECUTIVE ACTION ON COMMUNICABLE DISEASE**

##### **PRESENT LAW ADJUSTMENTS:**

**Motion/Vote:** SEN. WATERMAN moved TO ADOPT THE BASE PLUS STATEWIDE PRESENT LAW ADJUSTMENTS AND DP 699 - ADDED VACANCY SAVINGS. Motion carried unanimously.

**Motion/Vote:** SEN. WATERMAN moved TO ADOPT DP 17 AND DP 19. Motion carried unanimously.

##### **NEW PROPOSALS - SUB-PROGRAM LEVEL:**

**Motion/Vote:** SEN. COBB moved TO ADOPT DP 110, THE PUBLIC HEALTH LABORATORY APPROPRIATION. Motion carried unanimously.

**Motion/Vote:** SEN. WATERMAN moved TO ADOPT DP 111, THE BIO-TERRORISM PREPAREDNESS APPROPRIATION. Motion carried 5-1 with Cobb voting no.

Kathleen Martin, Communicable Disease Control and Prevention, requested that the Committee restore the funding for the FTE in DP 87.

**Motion/Vote:** SEN. WATERMAN moved RESTORATION OF FEDERAL FUNDS IN DP 87. Motion carried unanimously.

*{Tape : 3; Side : A; Approx. Time Counter : 29.8}*

**EXECUTIVE ACTION FOR CHIP PROGRAM**

**PRESENT LAW ADJUSTMENTS:**

**Motion/Vote:** SEN. WATERMAN moved TO ADOPT THE BASE LEVEL OF FUNDING PLUS STATEWIDE PRESENT LAW ADJUSTMENTS AND DP 699 - ADDED VACANCY SAVINGS. Motion carried unanimously.

**Motion/Vote:** SEN. WATERMAN moved TO ADOPT DP 44, CHIP ANNUALIZATION APPROPRIATION. Motion carried unanimously.

**NEW PROPOSALS:**

**Motion/Vote:** SEN. COBB moved DP 886, CHIP ANNUALIZATION CORRECTION APPROPRIATION. Motion carried unanimously.

*{Tape : 3; Side : A; Approx. Time Counter : 33.4-37.6}*

In general discussion on the CHIP eligibility increase, the Committee decided that it would not take action on DP 145, and requested that the Department estimate the cost of eliminating the Medicaid asset test. It will remain open and the Committee will revisit the issue. The Committee also decided to wait on the new proposal regarding the supplemental plan.

*{Tape : 3; Side : A; Approx. Time Counter : 37.7-42}*

SEN. WATERMAN asked what happened to the AIDS vaccine funding. Ms. Martin said that there is a federal grant. There was an issue in the Governor Racicot budget that would have included funding to cover people on the waiting list, but that issue was deleted by Governor Martz.

*{Tape : 3; Side : A; Approx. Time Counter : 42.1}*

**REP. JAYNE** went on the record that she had voted yes on the DP 881 tobacco prevention program, but that she would like to change her vote to no.

**{Tape : 3; Side : A; Approx. Time Counter : 43.6}**

**Chuck Hunter, Child and Family Services Division**, introduced a panel of social workers who would voice their experiences in the field for the Committee: Abby Cassidy from Billings, Dana Toole from Helena, Adele Worley from Great Falls, and Grant Larson from Miles City.

**{Tape : 3; Side : A; Approx. Time Counter : 44.7-51.4}**

**Abby Cassidy**, an investigative social worker from Billings, gave her presentation to the Committee. She went over the numbers of child abuse and neglect cases that her office has to handle with its six investigators.

**Skipped over Side B.**

**{Tape : 4; Side : A; Approx. Time Counter : .8-6.4}**

**Ms. Cassidy** gave detailed information on some of the cases on which she has worked, and went over the frustrations that she experiences. She stressed the problems that methamphetamine use has created in families in the Billings area, and requested support from the Committee for those who work in the field. Social workers lack time and resources to do the job that they would like to do, particularly in the area of helping families get out of the drug cycle.

**{Tape : 4; Side : A; Approx. Time Counter : 6.4}**

**Ms. Toole**, investigator of child abuse and neglect in Lewis and Clark County, went over the value of family group conferences in keeping families together. The philosophy driving the process is that families belong together and that the extended families of abused and neglected children have worthwhile input and solutions. Conferencing is used as a tool to assist families in the development of a plan for the safety of children. The reliance on families to help come up with the solution to the problem of providing for the safety of the children in the family accounts for the success of the program.

**Ms. Toole** went over the process, the resources needed for the process and the role of the social worker as facilitator in the process. Statewide standardization of the group conference process ensures that all Montana children will receive the same consideration. The conference covers the goals, strengths, and needs of the family. The family then writes the plan with the help of those it wishes. In order for the plan to be effective and measurable, the facilitator assigns specific tasks, time-lines and deadlines in the plan.

After the family conference, all those who have attended fill out a written evaluation of the conference. The evaluations are used to collect data and to improve the process. The success of the program is dependent on family involvement, and it is generally considered a very positive experience.

**{Tape : 4; Side : A; Approx. Time Counter : 27.2}**

**Adele Worley**, family resource specialist dealing with adoptive and foster families in the north central region, expressed areas of major concern for her. A lack of services and training for foster and adoptive families has caused a shortage of willing families to take on this responsibility. There are not enough foster and adoptive families for the children already in care and many do not have experience in dealing with the challenges that abused and neglected children pose. Those families that are experienced in dealing with the challenges these children pose find themselves overwhelmed by stress due to agency over use of their services.

Another issue of concern is a lack of wrap around services and therapists who understand the issues in adoption cases particularly in rural areas. Rural families must bring the children into urban areas to get the services needed. This takes time from the rest of the family and causes an added burden.

More and more kinship adoptions are taking place and while they have been a boon to the division, Department resources must still be used to do the background work. These families need the assistance of wrap around services and training, as well. **Ms. Worley** made a plea for the resources to help retain current foster and adoptive families, while recruiting and training new families.

**{Tape : 4; Side : B; Approx. Time Counter : 1.9-13.6}**

**Grant Larson**, social work supervisor from Miles City, discussed rural issues. He emphasized that the issues are no different than urban issues. There may be fewer cases, but the same problems are prevalent in rural areas as well. Methamphetamine use is as prevalent in small towns like Jordan as it is in Billings.

Distance poses a significant problem in handling the caseload since his office serves a 17 county area. Training, court appearances, child protection teams, and case management all involve travel. While caseloads may be lower than in urban areas, they still reflect the lack of resources. Each social worker averages 33 cases as well as 125 referrals a piece. A lot of communities have no prevention or preservation services.



Social workers in rural areas must deal with many different county, community and law enforcement agencies.

Availability of resources is a major problem in rural areas. A mental health or chemical dependency professional may go to a community once a week and a judge may show up to deal with drug and other issues only once a month. If there is no treatment available in the community, an individual needing treatment may have to travel 100 or more miles. Finding foster homes in the same community is also difficult.

**{Tape : 4; Side : B; Approx. Time Counter : 13.7 - 35}**

In discussion with Committee members, the panel responded that they are receiving moral support and resources to the extent that the Department can provide, and that their concerns are heard by management. They also suggested that one reason for the shortage of people entering the social work is a lack of resources, high caseloads, stress, and relatively low pay. Recruitment of foster and adoptive families would be improved by more resources, more immediate response from social workers, and training. It would also help if the foster and adoptive parents were treated with the respect that members of a professional team deserve. In rural communities, social workers are not necessarily seen as a positive force. They do not have time to provide public relations by getting out into communities more which would provide a better impression.

**Ms. Worley** said that the Department is only allowed to intervene on cases where abuse and neglect have occurred, which does not allow the Department to have interaction with private adoption services. **Mr. Hunter** said that the Department handles about 200 adoptions a year.

**{Tape : 4; Side : B; Approx. Time Counter : 35.3}**

**Mr. Hunter** introduced **Dave Thorsen, Operations and Fiscal Bureau**, who went over the budget projections prepared for the Committee **EXHIBIT (jhh26a04)** and explained his budgetary model.

The projection for the subsidized adoptions budget is a conservative caseload increase of 15% per year with a 2.9% rate increase the first year and a negligible increase the second year. These projections are consistent with the Executive Budget. There is more money in the Executive Budget for subsidized adoption than needed - almost \$500,000 for the first year and nearly \$2 million for the second year. The comparison of funding needed for the new projections versus the funding currently in the Martz budget shows that there is \$1.5 million more general fund in the Martz budget for subsidized adoption than is needed.

The foster care projections show the history of FY99-FY00, and the projections for FY01-FY03. Total Foster Care costs are projected to be \$18.2 million for FY02 and \$18.8 million for FY03. The caseload estimates are conservative but not unrealistic. The foster care funding estimate indicates that the Executive Budget is short \$1.1 million in the first year of the biennium, and \$1.5 million in the second year.

**Go to Tape 3, side B.**

**{Tape : 3; Side : B; Approx. Time Counter : 0.1-4.5}**

**Mr. Thorsen** went over the different steps in his projection model, and how TANF, Title IV-E and Title XX the funding offsets are used.

**{Tape : 3; Side : B; Approx. Time Counter : 4.6-5.0}**

**Ms. Gervais** explained to the Committee that IV-B, Part I provides funding for general child welfare services, including administration, investigation, child welfare social workers, and a limited amount for benefits. IV-B, Part II provides funding for the family prevention and reunification services.

**{Tape : 3; Side : B; Approx. Time Counter : 5.1 - 12.5}**

**Mr. Thorsen** continued with his presentation of the funding sources and projections. There is a general fund shortfall over the biennium of \$1.1 million. There is a shortfall of almost \$500,000 in total funds. It is apparent that funding streams needed to be realigned. The base budget is short state special funds of \$1 million over the biennium and short in some of the federal funding sources as well. There is more TANF in the budget than the Department can spend, but more Title XX and IV-E could be spent than are in the budget.

**{Tape : 3; Side : B; Approx. Time Counter : 12.6}**

**Mr. Thorsen** referred to several handouts, a yellow sheet which is the Governor Martz budget **EXHIBIT(jhh26a05)**, and a blue sheet **EXHIBIT(jhh26a06)** with the revised funding as the Department would like the money distributed. He stated that he would like the Committee to act on the blue sheet which would allow the Department to make needed funding shifts.

**Ms. Gervais** commented that one decision package that the Committee would have to act on, but that does not appear on the blue sheet, is the \$1.9 million general fund reduction proposed as part of the supplemental plan. **Mr. Thorsen** said that the \$1.9 million is built into the calculations that he made.

**Ms. Gervais** handed out a spreadsheet which walks the Committee through the Decision packages **EXHIBIT(jhh26a07)**. In response to a query from **SEN. WATERMAN, Gail Gray, Director of Public Health**

**and Human Services**, stated that any money that went back into the TANF budget would be positive for the Human and Community Services program. **Ms. Gray** feels that enough is enough as far as taking more from that budget.

**Ms. Gervais** explained that one of the policy decisions that the Committee would be faced with is a discussion of whether or not the Committee would leave a reserve and leave TANF funds unexpended at the time of re-authorization. The information that the Department presented to **Ms. Gervais**, leaves \$21.8 million of TANF funds unexpended at the end of state FY02. The authorization of TANF expires in September of 2002. During the fall of 2002, Congress will deal with re-authorization and the question of whether or not the grant will continue in future years at the current level.

**SEN. WATERMAN** expressed her concerns about continuing without having taken care of the supplemental and questioned whether the Committee should take executive action on Monday. **Ms. Gervais** said that the Committee could act on everything but foster care in this program next week. Foster care involves TANF funds and general fund savings to adjust the supplemental cost containment. The rest of the items within the Division are not impacted by those items.

A Department response to questions from the Committee regarding to ambulance and dental provider rates and Medicaid questions was submitted **EXHIBIT (jhh26a08)**.

**ADJOURNMENT**

Adjournment: 12:10 P.M.

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REP. DAVE LEWIS, Chairman

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SYDNEY TABER, Secretary

DL/ST

**EXHIBIT** (jhh26aad)